



Department of Veterans Affairs Office of Inspector General

Administrative Investigation Improper Tuition Reimbursements Veterans Integrated Service Network 15 Kansas City, Missouri

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DEPARTMENT OF VETERANS AFFAIRS
Office of Inspector General
Washington, DC 20420

TO: Director, Veterans Integrated Service Network 15 (10N15)

SUBJECT: Administrative Investigation – Improper Tuition Reimbursements, Veterans Integrated Service Network 15, Kansas City, MO (2005-03080-IQ-0204)

Summary

We substantiated that the Chief Logistics Officer for Veterans Integrated Service Network (VISN) 15 improperly received \$7,317 in reimbursements for ten college courses that were not job-related but which he took solely to qualify for a position anticipated to require a degree. The VISN Chief Operational/Financial Officer authorized these reimbursements, as well as payments exceeding what was allowed by VISN policy for other courses the Chief Logistics Officer took.

Introduction

The VA Office of Inspector General, Administrative Investigations Division, investigated whether Mr. Stanley E. Vest, VISN 15 Chief Logistics Officer, improperly received education reimbursement benefits. A complainant made other, unrelated allegations, which we did not substantiate and do not discuss below. We visited the VISN 15 office and the Kansas City Medical Center in Kansas City, and the VISN Network Business Office in Leavenworth, KS. We interviewed Mr. Vest, the VISN Chief Operational/Financial Officer, and other employees at all three locations. We also examined documentation relating to Mr. Vest's college coursework and tuition reimbursements, and relevant Federal law and VA policies.

Results

Issue: Whether Mr. Vest received improper tuition reimbursements for academic degree training

Federal law and VA policy prohibit the use of appropriated funds to pay for an employee's academic degree training if such training is for the sole purpose of qualifying for a position that requires an academic degree or is only to provide an employee with such a degree. According to the law and policy, appropriated funds may be used for academic degree training only if the training significantly contributes to meeting an identified training need, resolves an identified staffing problem, or accomplishes strategic planning goals; and if it is part of a planned, systematic, and coordinated employee development program linked to accomplishing the strategic planning goals [5 U.S.C. §4107(a) and (b)(2); VA Directive 5015/1, paragraph 2b(9)]. VA policy does authorize reimbursement to employees for the cost of individual college courses that are mission-related [VA Directive 5015, paragraph 2b]. The policy does not specify a dollar limit on such reimbursements [VA Handbook 5015, paragraph 10].

VISN 15's policy on tuition reimbursement is inconsistent with the law and VA policy because it permits employees to be reimbursed for the cost of academic degree training (non-job-related courses that are prerequisites leading to a job-related degree), without specifying the above restrictions. Prior to January 2005, VISN policy allowed employees to be reimbursed up to \$300 per credit hour for 6 credit hours each semester [VISN SOP 004, dated February 7, 2003, and Amendment 1].

In January 2001, Mr. Vest was promoted to a GS-1101-14 Health Systems Acquisitions Manager in VISN 15, with essentially the same duties as a chief logistics officer. Prior to his promotion, Mr. Vest was a GS-1101-13 and held a warrant for senior unlimited contracting authority, but that warrant did not transfer with his promotion because of new educational requirements. According to the then-Associate Deputy Assistant Secretary for Acquisitions, Mr. Vest needed a 4-year undergraduate degree that included or was supplemented with 24 business-related semester hours in order to be granted the warrant as a GS-1101-14. In a November 2001 letter to Mr. Vest, the Associate Deputy Assistant Secretary explained that, to be eligible for the warrant, Mr. Vest needed to meet the same qualifications as a GS-1102 Contracting Officer, a requirement he said was established to prevent managers from circumventing the new education requirements by incorporating contracting duties into other series. At that time, Mr. Vest had a 2-year Associate degree.

In December 2002, Mr. Vest wrote to the then-VISN 15 Director that he planned to pursue a bachelor's degree in response to the new education requirements. He cited a proposed reorganization of VHA's acquisition and logistics functions that required chief logistics officers to meet the qualifications needed to obtain a contracting officer's senior warrant. (Also, a realignment plan subsequently approved by the VA Secretary in June

2003 envisioned re-establishing and enhancing the role of chief logistics officers at the GS-15 level and requiring that they qualify for a senior warrant. The plan further envisioned that chief logistics officer vacancies, under a new position description, would be announced.) In January 2003, Mr. Vest enrolled in the Calvary Bible College and Theological Seminary in Kansas City to pursue a Bachelor of Science degree, majoring in Leadership and Administration. He told us he expected to receive his degree in May 2006.

Despite the planned education requirement for chief logistics officers, in February 2004, the former Deputy Under Secretary for Health for Operations and Management signed a position description for VISN chief logistics officers in the GS-0346-15 Logistics Management Officer series, a position that does not require a bachelor's degree or a senior contracting warrant. Mr. Vest was promoted to this position in July 2004.

Between the 2003 spring semester and the 2005 fall semester, Mr. Vest took 17 courses for credit at Calvary Bible College, for which VA reimbursed him \$12,642, including the cost of books. Mr. Vest was not entitled to all of this reimbursement because he was pursuing a degree for the sole purpose of qualifying for a GS-15 chief logistics officer position that was anticipated to require a degree. The degree training was not in response to a VA-identified training need, staffing problem, or strategic goal. As noted above, Mr. Vest told the former VISN 15 Director that he planned to return to college in response to the proposed education requirements for chief logistics officers. Further, in his written justifications for the courses he took through the spring of 2004, Mr. Vest wrote that he needed "to possess a bachelor's degree to hold a contracting warrant at my current position and any future promotions. It is also increasingly evident that my current position as the Network Chief Logistics Officer...will soon be made contingent upon holding a contracting warrant." Mr. Vest told us that when the decision was made in February 2004 to classify chief logistics officers as Logistics Management Officers, with no educational requirement, he nonetheless decided to continue with the degree program because he still wanted to qualify for a contracting warrant. In his justification for reimbursement in the fall of 2005, after he was promoted to a GS-15 Logistics Management Officer, Mr. Vest wrote that the chief logistics officer position "should possess a bachelor's degree to hold a contracting warrant for current position and any future promotions. It is increasingly evident that my current position, although it does not require a senior warrant at this time, it would be prudent for the Network CLO to hold the warrant...." According to documents received from VHA's Deputy Chief Clinical Logistics Officer, all VISN chief logistics officers are GS-0346's; six of them do not possess a 4-year degree.

While Mr. Vest was eligible for reimbursement for some of the 17 courses he took because they were job-related, 10 of them, accounting for reimbursements totaling \$7,317, were not. These courses, along with a brief description from the Cavalry Bible College course catalogue, are: *Genesis*, described as a "systematic study of the

chronological progression of events” in the book of Genesis; *Goals, Priorities, and Attitudes*, described as “an adult study of personal growth;” *Dispensational Premillennialism*, described as a study of “the Biblical basis for Premillennialism;” *Theology of Missions*, described as “a study of the Word of God as set forth through God’s promise to Abraham to bless the nations through Jesus Christ and the Church;” *Senior Project I and II*, described respectively as “an assessment of the student’s cumulative studies, including time spent performing Christian Ministries” and “an opportunity for practical experience with a para church or local church organization...to learn its philosophy of ministry;” *Cross-Cultural Communication*, described as “a cross-disciplinary study of what is involved in adequate transmission of the gospel across cultures with insight and guidance from theological studies...;” and *Theological Foundations I, II, and III*, described respectively as “a study of the origin and nature of the Bible...[and] the nature and attributes of God,” “a study of the origin, fall and nature of man...[and] the doctrine of salvation,” and “a study of the angels...the Church...[and] the doctrine of prophecy.” Mr. Vest acknowledged that some of the courses he took were not job-related, but said he needed them to complete the degree requirements and that the reimbursements were in accordance with policy. He said he had no current plans to be a minister but did not rule it out after he retired.

Regarding the courses Mr. Vest took that were job-related, he twice received reimbursements in an amount exceeding what was allowed by the then-current VISN policy. For the 2003 fall semester, he received \$2,222 for three 3-credit job-related courses he took. According to VISN policy, he was eligible to receive a total of only \$1,800 that semester (\$300 x 6 credit hours). Likewise, for the 2004 fall semester, Mr. Vest received \$2,379 for another three 3-credit job-related courses when he was again eligible to receive a total of only \$1,800 that semester. In total, he received an excess \$1,001 for these six courses.

Mr. John Arnold, VISN Chief Operational/Financial Officer, approved and authorized Mr. Vest’s requests for training. Mr. Arnold told us he considered it beneficial for Mr. Vest to have a warrant and that he could not get one without the degree. He acknowledged that some of the courses VA paid Mr. Vest to take were not directly related to his official duties but said that as long as they helped him earn his degree he did not object to the reimbursements. Further, he told us the reimbursements were in accordance with local policy because they were prerequisites leading to a job-related degree.

Conclusion

Mr. Vest improperly received \$7,317 in reimbursements for ten college courses that were not job-related, but which he took solely to qualify for a position anticipated to require a degree rather than in response to an identified training need, staffing problem, or strategic goal. Mr. Arnold authorized these reimbursements in accordance with VISN policy,

though not in accordance with VA policy or Federal law. Mr. Arnold also authorized payments for job-related courses Mr. Vest took in an amount exceeding what was allowed by VISN policy, though not in violation of VA policy. We are providing the information concerning Mr. Arnold's authorizations to you for whatever action you deem appropriate.

Recommended Action(s) 1. We recommend that the VISN 15 Director ensure that Mr. Vest is issued a bill of collection to recoup the \$7,317 he improperly received for college courses that were not job-related, but which he took solely to qualify for a position anticipated to require a degree.

Recommended Action(s) 2. We recommend that the VISN 15 Director ensure that the VISN policy on tuition reimbursement for academic degree training is revised to reflect the restrictions on such reimbursement, consistent with VA policy and Federal law.

Comments

The VISN 15 Director concurred with the above recommendations, noting that a bill of collection would be issued to recoup the identified monies from Mr. Vest and that the VISN policy on tuition reimbursement was being revised to be consistent with VA policy and Federal law. The Director's comments are in Appendix A. They were responsive to the recommendations, and we will follow up to ensure the actions are completed.

DANIEL R. PETROLE
Assistant Inspector General for
Investigations

Director Comments

**Department of
Veterans Affairs**

Memorandum

Date: May 30, 2006

From: Director, Veterans Integrated Service Network 15 (10N15)

Subject: **Administrative Investigation - Improper Tuition
Reimbursements, Veterans Integrated Service Network
15, Kansas City, MO**

To: Daniel R. Petrole, Asst Inspector General for Investigations

I have reviewed and concur with your report and the
recommendations contained in the report.

Peter L. Almenoff, M.D., FCCP

**Director's Comments
to Office of Inspector General's Report**

The following Director's comments are submitted in response to the recommendation(s) in the Office of Inspector General's Report:

OIG Recommendation(s)

Recommended Action(s) 1. We recommend that the VISN 15 Director ensure that Mr. Vest is issued a bill of collection to recoup the \$7,317 he improperly received for college courses that were not job-related, but which he took solely to qualify for a position anticipated to require a degree.

Concur **Target Completion Date:** 06/12/06

Action is being taken to issue a bill of collection to recoup the identified monies from Mr. Vest.

Recommended Action(s) 2. We recommend that the VISN 15 Director ensure that the VISN policy on tuition reimbursement for academic degree training is revised to reflect the restrictions on such reimbursement, consistent with VA policy and Federal law.

Concur **Target Completion Date:** 06/19/06

The VISN policy on tuition reimbursement policy is being revised to be consistent with VA policy and Federal law.

OIG Contact and Staff Acknowledgments

OIG Contact	Judy Shelly, (202) 565-8617
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Acknowledgments	Stephanie A. Robinson, Kristinn Watkins
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